

**MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION POLICY COMMITTEE MEETING**

December 18, 2002
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Mayor Neil Giuliano, Tempe, Chair	Mayor Boyd Dunn, Chandler
Mayor Elaine Scruggs, Glendale, Vice Chair	Rusty Gant, ADOT
Benito Almanza, Bank of America Arizona	Mayor Keno Hawker, Mesa
F. Rockne Arnett, Citizens Transportation Oversight Committee	Senator Marilyn Jarrett, Arizona Senate
Mayor Bill Arnold, Goodyear	Eneas Kane, DMB Associates
Mayor Steven Berman, Gilbert	Mayor Mary Manross, Scottsdale
Dave Berry, Swift Transportation	Mayor Lon McDermott, Wickenburg
Jed S. Billings, FNF Construction	Representative Gary Pierce, Arizona House
* Councilmember Peggy Bilsten, Phoenix	Diane Scherer, Phoenix Association of Realtors
Representative Dean Cooley, Arizona House	Vice Mayor Daniel Schweiker, Paradise Valley
* Councilmember Pat Dennis, Peoria	Martin Shultz, Pinnacle West Capital Corp.
Mayor Ron Drake, Avondale	Supervisor Don Stapley, Maricopa County
	Mayor J. Woodfin Thomas, Litchfield Park

* Not present

Participated by videoconference or telephone conference call

1. **Call to Order**

The meeting of the Transportation Policy Committee was called to order by Chairman Neil Giuliano at 5:03 p.m.

2. **Pledge of Allegiance**

The Pledge of Allegiance was recited.

Chairman Giuliano stated that transit tickets were available from RPTA for those who used transit to come to the meeting. He stated that parking garage validation was available from MAG staff.

Chairman Giuliano introduced and welcomed new committee members, Senator Marilyn Jarrett, Senate Transportation Committee, and Mr. Jed S. Billings, President/CEO, FNF Construction, Inc.

Chairman Giuliano recognized guests from the Rural Transportation Advocacy Council, Mayor Jim Boles, Winslow, and Supervisor J. R. DeSpain, Navajo County.

Chairman Giuliano stated that this was the last meeting for two members of the Transportation Policy Committee. He thanked Mayor Bill Arnold for his service on the Committee. Mayor Arnold stated that he had been elected to the State Legislature and would begin his term in January. He expressed his appreciation for the opportunity to serve on the Committee and mentioned that he hoped he could be of

assistance in the future. Mayor Arnold introduced Vice Mayor Seth Kanter, Goodyear, who was approved by the Regional Council to assume Mayor Arnold's seat on the TPC.

Chairman Giuliano acknowledged the contributions of Representative Dean Cooley, Chair of the House Transportation Committee, to the TPC and thanked him for his service. Representative Cooley stated that his term on the TPC has been an enjoyable experience. Chairman Giuliano expressed his hope to have Representative Cooley's assistance as a citizen. He expressed best wishes to both members.

3. Approval of November 13, 2002 Meeting Minutes

Chairman Giuliano asked if there were changes to the minutes. Hearing none, he asked for a motion to approve. Mayor Thomas moved to approve the minutes of the November 13, 2002 meeting. Representative Cooley seconded, and the motion carried unanimously.

4. Call to the Audience

Chairman Giuliano stated that an opportunity is available to members of the public to offer public comment. Citizens will be requested not to exceed a three minute time period for their comments. Chairman Giuliano noted that no public comment cards had been turned in.

5. Review of Transportation Survey Results

Chairman Giuliano stated that at the September TPC meeting, HDR Engineering was recommended to be the Phase II consultant. One of the elements for the TPC scope of work was to have a transportation survey conducted. Chairman Giuliano stated that the idea of the poll was to determine citizens' ideas on current transportation and the future of transportation. He stated that to accomplish this task, HDR hired Behavior Research to conduct the poll. Chairman Giuliano stated that the draft polling instrument had been reviewed by the members of the TPC prior to surveying voters.

Chairman Giuliano introduced Earl DeBerge, Chairman of the Board and Director of Research for Behavior Research Center with more than 37 years of experience. Mr. DeBerge stated that he worked on the election in 1985. He stated that the poll was completed just a few days ago, so more in-depth results will be available later.

Mr. DeBerge gave a presentation on the polling results. The survey was given to 1,009 interviewees in both English and Spanish. Mr. DeBerge stated that the survey showed that there was broad public support for continued funding of transportation, in particular, an integrated system that includes transit, freeways, streets and roads. The local flexibility factor was appealing to the respondents. Mr. DeBerge stated that the fact that the tax was an extension, and not a new tax, was also favored by those interviewed. He stated that respondents recognized value in continued benefits of transportation improvements to the economy, congestion relief, public safety services, and traffic safety. Mr. DeBerge stated that when asked about their top concerns overall for the Valley, respondents ranked transportation third, just behind education and crime. He displayed a bar chart that showed that there was broad-based satisfaction with freeways, streets and roads, and bicycle and pedestrian components. Mr. DeBerge advised that most respondents were unaware of proposition 300 funding and the fact that it was set to expire. He added that of those aware of proposition 300, most people perceived that the existing tax has had a major impact on improving the transportation system. Mr. DeBerge stated that across the region, respondents indicated that there is not going to be enough transportation funding for the future. He noted that the respondents opposed transportation funding by increasing vehicle registration fees;

gasoline, sales and property taxes; taking money from other public programs; and having toll roads; but supported development impact fees. Mr. DeBerge stated that voters indicated support for freeways, street and road improvements, bus service, and light rail as spending priorities, which shows the need for an integrated approach. Mr. DeBerge stated that the interviewees were asked how they would vote on extending the half cent sales tax by 20 years and 25 years. Because their responses indicated there was virtually no difference between the two, the Committee may as well go for the 25 year term.

Mr. DeBerge displayed a bar chart that showed uniform support across the Valley for the extension of the half cent sales tax. He stated that of the 17 percent that opposed the extension, the main reasons given for opposing the tax extension included they haven't seen enough improvement, or that they want no new taxes. Mr. DeBerge stated that key factors impacting support for the extension include worsening traffic congestion, investment in transportation will spur economic development and help air quality, extending means no new tax, spending moniters will be in place, growth and its impacts are certain, timely to put transit and roadways on an equal footing, public transit is key to transportation solutions, and having a plan map so the public can see what they are buying. Mr. DeBerge stated that 56 percent favored a 100 percent regional spending formula, and 69 percent favored a 50 percent regional/50 percent local split. He added that this preference was expressed consistently across the Valley.

Chairman Giuliano thanked Mr. DeBerge for his presentation and asked if there were questions. Mr. DeBerge noted that Bruce Hernandez, Behavior Research, was also available to answer questions.

Mayor Manross asked for clarification of the survey variables, such as those who had a high probability of voting yes. Mr. DeBerge replied that respondents received a battery of questions. He responded that voters could answer whether they would definitely vote yes or probably vote yes, and that high probability of voting yes was a measure of those indicating strong support. Mr. DeBerge stated that from the poll, responses indicated a profound shift, from voters who once saw freeways as the only solution to transportation problems, to those that now see them as just one of a package of solutions.

Representative Cooley recalled that approximately one year ago, a poll was taken stating that transportation was a top issue, while the results just presented ranked it third. He asked what changed in the last year to replace transportation as a top concern. Mr. DeBerge replied that economic climate has changed in the past year. Gary Kaasa, of Cantelme, Kaasa and Associates, stated that the most important issues are growth and concerns about its impacts, transportation, mass transit, education, and traffic congestion. Eric Anderson stated that WestGroup had conducted the poll referred to by Representative Cooley. Mr. Kaasa added that if the elements from the polls were combined, they may add up to transportation as the top concern.

Mr. Shultz asked in regard to modal investments, is the expectation that the plan will be shown to the voters? If local officials make the decisions, will the citizens want to vote yes to an extension? Mr. DeBerge replied that we have that expectation of local officials making the decisions in their own communities. He added that the return to sender concept was strong in respondents' minds. Mr. DeBerge stated that they did not have a specific plan in mind, such as which roads to include in the plan, but indicated that they like how things are going now.

Mr. Almanza commented that the poll suggests that light rail will be critical. People want to spend money on transportation, but they are uncertain as to which vehicle. Mr. DeBerge stated that if we come back with a solution that does not take care of the local priorities through the return to sender concept, the voters may not be supportive.

Mayor Scruggs suggested that for future polls, the West Valley be divided into sectors, such as southwest and northwest. Mr. DeBerge stated that the poll could be taken down to the zip code level, which enables a closer examination of the data. Mr. Hernandez stated that initially, the intention was to break down the poll into sectors, but the population in the southwest sector was very small—three to four percent—as compared to other communities. He added that this amounted to approximately 30 to 40 voters. Mayor Scruggs stated that there are portions of the Northwest Valley where there may be opposition to the tax.

Mayor Hawker asked if there was a feel that the criteria for the distribution of return to sender would be population or money contributed based? Mr. DeBerge replied that the question was asked in a way that indicated the distribution would be based on population.

Mayor Thomas asked for clarification of “West Valley” location. Mr. DeBerge replied that the West Valley begins at the Phoenix city limits. Mayor Thomas referred to slide C5, where the perception of the impact of the existing tax on improving the transportation system was the lowest. He noted that the voters could be remembering changes to the 1985 plan in the West Valley, including the removal of Paradise Parkway and Loop 303. Mr. DeBerge commented that according to the poll, most did not know or remember the funding mechanism for these projects at all.

Mayor McDermott asked about the percentage who declined to respond. Mr. Hernandez replied that he did not bring those actual statistics with him, but survey completions typically run 35 to 40 percent. He added that the average survey was completed in 15 to 20 minutes. Most people answered because they live with transportation every day and it is important to them.

Ms. Scherer referred to slide C10. She asked if the support for the tax was higher in Phoenix and the West Valley than in other sectors because they had put out maps and had elections? Mr. DeBerge replied that the responses indicate a desire for improvements. He added that the numbers do not vary much from sector to sector. Ms. Scherer commented that prior education on the elections may have helped with the higher approval statistics.

Mr. Berry asked what would have been the outcome if respondents had been asked about a 100 percent local distribution. Mr. DeBerge replied that there would probably be a lower reading than either the 50/50 or 100 percent regional splits, but that was only hypothesis.

Chairman Giuliano stated that this was good information to have as the Committee moves forward. It was a positive report that people are seeing, hearing and feeling success with regional transportation.

Mr. Berry asked if it would be fair to say if the sales tax rate for transportation was increased there would be opposition. Mr. DeBerge replied that terming it an increase would be inviting serious negative response. He also noted that if unity is not shown, the approval numbers can change very quickly. There needs to be a sense of common goals and coherent leadership.

Chairman Giuliano stated that our experiment to test the process that includes both public and private sectors will add to the perception that the plan will work for all.

Mayor Thomas asked whether the key factors on slide C12 were tested or a premise. Mr. DeBerge stated that these were reasons people gave for supporting the tax. For example, the last bullet indicated they would be more likely to support the extension if independent public and private monitors were in place. Again, they seemed to indicate support for both regional and local priorities.

Mr. Gant expressed that he was surprised at the change in mode preference since the 1985 election that now shows more support for mass transit. He asked if the respondents were answering this as something that should be done by their neighbors, but not by themselves. Mr. Hernandez stated that people see mass transit as an option that will help their commute. People feel that if others use it, it will help their commute by taking people off the roads. Mr. DeBerge stated that it is easy to say that transit will be good for others. He added that questions to pit freeway against transit were purposely put in the survey to elicit truthful responses. Those responses split 50/40 freeway vs. transit every way they were tested. Mr. Gant mentioned that support of services will be needed down the road.

Mr. Arnett asked about the preference for 20 or 25 years. Mr. DeBerge replied that the survey showed not much difference between the two. Since there is not much difference, we may as well go for the 25 year term.

Representative Cooley requested a breakdown of slide C8 into different sectors of the Valley. He commented that the breakdown would assist in revealing interest in different modes. Mr. DeBerge stated that could be provided.

Mr. Hernandez stated that this is a broad analysis right now, and the final analysis is being drafted. Chairman Giuliano thanked Mr. Hernandez and Mr. DeBerge and expressed appreciation for their efforts.

6. Discussion of Key Statewide and Regional Policy Issues

Chairman Giuliano recognized public comment from Blue Crowley, who referred to an article in The Arizona Republic about land use policy. When you see sprawl, you have not taken care of the core. Mr. Crowley stated that he wants a split vote. We don't need freeway taking away from pedestrian and bus. Mr. Crowley commented on bike rage. When he and Mayor Hawker put the plan together in 1989, the plan said that ADOT and MAG would do park and ride along with construction. He stated that he put that in the plan and it is now just being implemented. Documents have the power if you have a plan. Mr. Crowley stated that he did not see where the County's plan was even being considered. Chairman Giuliano thanked Mr. Crowley for his comments.

Chairman Giuliano stated that at the October 23, 2002 TPC meeting, representatives of the Rural Transportation Advocacy Council (RTAC), indicated their interest in working with the TPC in developing a legislative strategy that would assist rural and urban interests. To develop a strategy, it was recommended that a meeting of the Arizona COG Directors Association be convened along with representatives of the RTAC, the League of Arizona Cities and Towns and the County Supervisor's Association. A meeting was held on November 25, 2002. At the meeting, Mayor Rimsza described his proposal for a statewide sales tax election. The group recommended that a task force be formed to work on the specific legislative language for a statewide concept. Since that meeting, a list of policy questions has been developed for consideration by the TPC that could lead to a legislative strategy. Chairman Giuliano stated that a list of policy issues for discussion was included in the agenda packet. He emphasized that no action would be taken on the policy issues at this meeting.

Mr. Smith stated that the thought was to have a broader based committee to work out the legislative language. The Regional Council expressed that the process would not preempt the TPC. Mr. Smith noted that discussions on policy issues have taken place with the Intergovernmental Representatives.

Mr. Smith stated that the first issue is the horizon of the tax—should the tax be 20 years, or 25 years? The Committee was canvassed as to their preference. The Committee indicated a preference for a 25-year extension.

Representative Cooley stated that he supported a 25 year tax because more funds are needed.

Mayor Hawker stated that if the tax is termed as an extension, it should be for the same length of 20 years.

Mr. Smith stated the next policy issue for discussion was whether the election would be held on a county-by-county basis, statewide up or down, or in Maricopa County only. If county-by-county, the assumptions are that the tax would not be imposed in counties where it did not pass and that five percent off the top would not go to counties where the vote did not pass. One suggestion is to reserve a portion of the five percent for counties who went for the vote later. Mr. Smith stated the assumption is that the extension has a much better chance of passing if only conducted in Maricopa County. Mr. Smith stated that the representatives from RTAC were present to provide their input into this issue.

Chairman Giuliano asked what the difference is in a specific sense. Mr. Smith explained that if passed, the five percent off the top, half of the allocation would be returned back to the cities, and half to regional planning.

Supervisor DeSpain, Navajo County, stated that he understood that each supervisor would call for a special election. He indicated that he preferred a statewide vote, as there are too many complications if each county did not call for a vote or the vote did not pass in every county.

Representative Cooley stated that this could be a negative for the rural supervisors, because it would be a tax increase, which could put their political terms in jeopardy. This takes the heat off the state, but could serve to force the vote onto counties.

Chairman Giuliano noted that the issue of whether the vote would be statewide, county-by-county or Maricopa County alone was brought to discussion tonight because Mayor Rimsza had addressed the RTAC on the issue. He stated that there would be no action taken on the issues at this meeting, and was to get a feeling for everyone's thoughts. Mr. Smith provided copies of the Phoenix proposal.

Mr. Berry commented that his charge was to look out for Maricopa County and ensure passage of the regional sales tax. If the election is statewide and is defeated, that would mean that we cannot proceed, and he will not have fulfilled his responsibility. He stated that he supported preserving the right for Maricopa County to pass judgment on the sales tax regardless of other counties.

Mayor Thomas asked the origin of the five percent figure. Mr. Smith replied that he was unsure if there was specific reasoning. He added that the numbers in the document, based on a projected \$10 billion revenue, have changed and we are now down to a projected \$8.3 billion in revenue.

Mayor Boles, Winslow, stated that when transportation needs are examined, the bulk of roads in rural parts need to be considered. He likened the state to a chessboard, and when a person drives throughout the state, he passes from square to square, not every other square. Mayor Boles stated that it does not make sense to address transportation problems in a particular area only. This pits one area against the other. Mayor Boles commented that all have transportation needs unmet by conventional funding methods. He expressed support for a statewide election, as it provides an opportunity for all. Mayor

Boles stated that there would not be much support for a county-by-county election, because it would put county supervisors in the spotlight. He commented that needs are statewide and solutions need to be statewide.

Supervisor Stapley commented that 30 county supervisors attended a meeting and discussed Mayor Rimsza's proposal. The proposal received almost universal disapproval. He stated his agreement with Mr. Berry's comments that if other counties want to go along with Maricopa County that would be acceptable to him, but he would not propose a statewide election for this effort.

Mr. Shultz stated that he spoke to Mayor Rimsza and staff. He expressed his appreciation for Mayor Rimsza's efforts for a statewide election, because he felt that element was needed to go to the Legislature. Mr. Shultz stated that the performance standard is not there yet and needs more work. He commented on identifying need first, and when that is known, then the funding mechanism and strategy to get there will be more apparent.

Mayor Manross commented that Mr. Shultz's comments made sense. She recounted that at the League meeting, she got the message from mayors, "Please, Maricopa County, don't impose your will on us." She stated that it should be their choice. The TPC is here because Maricopa County has needs and we need to get the tax passed to meet those needs. Mayor Manross stated that some say they do not want to proceed with a sales tax election, and they will send this message to the Legislature. She expressed that she wanted to ensure success for Maricopa County. If the legislation could be structured to fit in with what those counties want, that would be fine, but she did not want to appear as if MAG was imposing its will on them. If that happens, the chance for success will be diminished.

Mayor Berman stated his agreement with Mayor Manross's statements. The virtue of local government is that it is closest to the people. Mayor Berman stated that the Town of Gilbert needs roads. Other cities have their individual needs that they will need to decide—we cannot decide that for them. He stated support for the Maricopa County based election proposition.

Mayor Dunn expressed concern that the election could be perceived as Maricopa County driven. He stated that he was interested if the survey showed if voters would be willing to share five percent. Kelly Taft indicated that approximately 53 percent supported sharing five percent.

Representative Cooley stated that it would be of interest to know the number of lane miles in comparison to road miles in rural and urban areas. He reminded members to keep in mind that rural counties have the authority to pass a tax election—Maricopa and Pima Counties do not. Representative Cooley stated that he heard non-Maricopa supervisors oppose the sales tax for their counties and he believed that their citizens would oppose a sales tax, also.

Supervisor DeSpain stated that those at the County Supervisors Association meeting thought they would be held responsible for calling an election, and that was the reason for opposition. He provided figures for lane miles in Arizona: rural - 12,876; Maricopa County - 2,496; Pima County - 1,116. Supervisor DeSpain stated that when relatives visit the Grand Canyon, they use rural roads. The five percent could be for usage of those roads. He added that the five percent also provides incentive for rural citizens to approve the tax.

Senator Jarrett stated that she has heard concerns that the Legislature will not allow Maricopa County to tax themselves, and the rural communities will stop them. She commented that the rural counties do not care if Maricopa County taxes itself. Senator Jarrett stated that the issue is putting a plan together

for Maricopa County that voters will approve. She stated that if the election would be statewide, then there will be problems.

Mr. Shultz stated his agreement with Senator Jarrett's comments. He stated that it is clear that there are transportation needs in rural Arizona. From a transportation standpoint, we would be wrong not to address those needs. Mr. Shultz stated that politically, we are talking Maricopa County. The next step for the rural counties is to come forward.

Senator Jarrett stated that it would be fine if other counties want to come on board, but the tax should not be pursued as statewide.

Mayor Scruggs commented on the good dialogue and contributions made during the discussion. She stated her strong belief that there are serious needs in the state. Mayor Scruggs indicated that she did not support statewide up or down. We know that if a statewide vote fails, we would be left with nothing. If other counties want to have an election based on their need, that would be for them to decide and pursue. Mayor Scruggs stated that she was at the League meeting that Mayor Manross spoke about earlier. She stated that she got the feeling that we were imposing our will on them. Mayor Scruggs commented on Mr. DeBerge's statements that a unified strategy is needed. This strategy could be jeopardized if we go out and there are conflicts with dates, elections, and the fact that some already have their own tax. Mayor Scruggs stated that she would listen to the discussion of a county-by-county election, but the fact is, we represent Maricopa County.

Mr. Arnett commented on his service on the ADOT State Transportation Board. There are severe needs throughout the State. He commented that there may be a way to leverage to the rest of the state what Maricopa County does, with the approval of the counties, but he would not want to force it on them. Mr. Arnett commented that Pima County voters have had problems in the past passing taxes. He asked if Phoenix could provide a reason to allocate five percent, and not 2.5 percent, for example.

Jack Tevlin, Phoenix Deputy Manager, explained that the idea to develop the allocation resulted from the thought that there were not enough votes in the Legislature to support our ability to have an election. In the 1985, the price was a statewide gas tax in order to hold the election. The feeling was that when we go to the Legislature, they would not support authorizing an election and we would need allies. To get allies, it would be necessary for us to have benefits for all. Mr. Tevlin noted that the polling did well in Pima County and Maricopa County, but lost by four percent in the rural areas. Regarding county-by-county, there is concern that the tax would be forced on people. Those who approve would benefit from the five percent pool. Those who do not approve would not share. Mr. Tevlin indicated that somewhere down the road, there is also the possibility that they could share if they were successful in a vote later. This would provide some flexibility. Mr. Tevlin stated that the five percent was not a scientific calculation, but was a number that was felt acceptable to Maricopa, Pima and the rurals. He added that the proposed amount was responded to favorably. Mr. Tevlin noted that Mayor Rimsza was not attempting to force a statewide vote, just support for a Maricopa County authorization. In a county-by-county election, those who want to participate could, and those who do not would not participate.

Representative Cooley expressed concern that roadway need has been projected at \$12 billion, and the tax is projected to bring in \$9 billion, and out of this amount, there will be allocations to other modes, as well. Representative Cooley commented that some will be against anything that includes light rail. He stated that if the ballot could be split into two different ballot questions, then there would be no problems with the voters or the Legislature. Putting them together on one ballot is a mistake.

Representative Cooley stated that there will be no problem with the Legislature authorizing an extension, as long as the ballot does not include light rail.

Mr. Tevlin stated that was the reason behind having local and regional pots. Each jurisdiction would decide what they want to use their money for. It provides flexibility and leaves a local option. Representative Cooley stated that regardless, some Legislators will have problems with the light rail portion.

Chairman Giuliano commented on whether the legislation language would be for a specific plan or a plan. There could be problems if the plan is specific. Representative Cooley stated that some in the Legislature would support the legislation if light rail were taken out. Chairman Giuliano indicated that this is an issue that needs to be determined. Representative Cooley stated that one option would be two ballot questions. Chairman Giuliano expressed that discussion helps us frame decisions in our minds. In January, the TPC will discuss if the plan we want to send to the voters will be a specific plan, or a plan. Which one will have more success? That is not yet known.

Mr. Berry expressed his appreciation to Mr. Tevlin for his explanation and stated his agreement with Senator Jarrett's comments. He commented that we do not need to go statewide to get the legislation through the Legislature. Mr. Berry stated that a good statewide transportation system is important.

Mayor Manross stated that it is important to keep in mind what Mr. DeBerge stated that the key to success is coming to a meaningful consensus. We can be successful even if the legislation is Maricopa County only. Mayor Manross expressed that she did not think that we have to include difficult formulas to entice other counties to join in the effort. She stated that Maricopa County is our greatest chance for success.

Mr. Tevlin stated that our best opportunity was for the upcoming Legislative session. A concern is that an election is not always won the first time. If we wait, the tax will expire before we can go back to the voters.

Mayor Hawker stated if the rural jurisdictions do not embrace the tax, then let the concept go. We have our hands full developing our own plan, and it would be even more difficult with 13 other plans. Mayor Hawker stated that he did not have a problem with a county-by-county vote. He stated that support for the five percent fund sharing has not been embraced, so maybe that should be stopped, as well.

Representative Gary Pierce stated that the Legislature will buy into a consensus plan. Giving the five percent to the rurals is unnecessary. In the final analysis, we do not need to do that. We are headed in the right direction. Chairman Giuliano commented that Representative Pierce and Senator Jarrett will be key in the Committee's work with the Legislature.

Chairman Giuliano stated that the third policy question was Return to Sender. 1) On what basis is the percentage of return calculated? Population, revenue share, both, other. 2) If half of the tax is distributed locally, how do we build regional projects? 3) How do we project and distribute revenue stream? Updated annually/presumably based on census population, actual revenue, or revised MAG population projections?

Mr. Smith stated that some questions include: How do you base the percentage—on population or revenue share? If the basis is population, then a consideration could be that a city's population is low,

but it is a job center. If half of the tax is local, how do we build regional projects? How do we make projections and distribute the revenue stream?

Mr. Arnett stated that he would like to see the return to sender modified to consider future growth. This concept worked well at ADOT.

Supervisor Stapley stated that the problem with creating a 50/50 pot is that it does not serve regional needs. He asked the percentage of the 1985 tax allocation. Mr. Smith replied that almost all RARF went to freeways, with approximately \$7 million annually going to RPTA. Supervisor Stapley stated that the folks who took the poll do not know that. Why do we assume they want to do that if they do not understand? He stated that return to sender is fundamentally flawed. Checks and balances need to be built in. Supervisor Stapley stated that he had a problem with the 50/50 split.

Mr. Berry stated that he did not understand nor support return to sender. He stated that he thought the TPC was here to solve regional problems. He acknowledged that there is much need to solve local problems. If you only need half of the half cent to solve regional problems, then have a quarter cent sales tax and let the cities pass their own tax for their individual needs.

Mayor McDermott stated that regionalism is part of the MAG charter. He stated that return to sender did not do much for him.

Mr. Arnett stated that the political reality is that if the City of Phoenix does not like something, it could fail. It is important to have a modified return to sender component.

Chairman Giuliano stated that the key element is to have significant funding capacity to address those needs that the voters support.

Mayor Hawker stated that he favored the return to sender concept. It is easy as a mayor to sell the process. Do regional and then show on the maps to citizens what projects will be earmarked for funding. Synchronization, bus pullouts, are highly ranked locally. He added that the return to sender concept is already out there in the public's mind.

Mayor Berman commented on Mr. Berry's statement about having two taxes. He stated that he could not see asking the public for taxes twice. Regarding return to sender—it would be difficult to gain support if voters cannot see something tangible. The return to sender concept will be of benefit to those who are paying.

Chairman Giuliano commented that the formula is the difficult part. He requested that staff put together a report on the best practices across the nation that would show options that the TPC could consider.

Mayor Manross stated that there could be support from the community if there were a local component. She brought up local projects that are really regional in use, such as roads of regional significance, and a local government may use local funds to improve those roads. Mayor Manross stated that the Scottsdale Airpark is a large generator of jobs in the region. Roads that service the airpark are not regional, but there will need to be improvements to these roads. Also, her city has two-tenths of one percent city tax that will not go far in improvements. Some of the tax money needs to come back to the local jurisdiction. Mayor Manross stated that she would like to see the results of national best practices. She added that a combination could be worthwhile.

Chairman Giuliano mentioned that Mr. Shultz had to leave the meeting and had provided comments on the policy issues. For the question: On what basis is the percentage of return calculated? Mr. Shultz's comments were that the return should be calculated on both population and revenue share. For the question: If half of the tax is distributed locally, how do we build regional projects? Mr. Shultz's comments were that half should not be distributed locally.

Representative Pierce stated that return to sender is a method by cities to grab money. The tax is a way to fund the freeways. People will not support the tax if freeways are not included. He stated that he thought some may be using this as a way to get projects done. Representative Pierce stated that a plan with freeway requirements is needed. He added that it is not an extension when we change what the legislation looks like. Representative Pierce stated that when all do not pull together, it hurts the effort. He stated that he was pro-freeway. Over time, people may use other modes as lifestyles change. If you want to pass the ballot, tell people what it will take. You will lose out if the freeways are cut short. He expressed high hopes for educational efforts.

Mayor Scruggs mentioned that the City of Glendale voters passed a half cent tax in perpetuity. A return to sender component could raise the issue if there is room for decreasing the city tax. She asked Mr. Smith for clarification if the \$12 billion need and \$9 billion revenue were the totals for all modes. Mr. Smith replied that the \$12 billion came out of the ADOT plan. The needs include freeways and very limited transit options, in Maricopa County. Mr. Smith stated that the \$9 billion revenue estimate was jointly worked on with ADOT. ADOT did further research on the commercial property lease rental language as it affects the sales tax for transportation. This component probably cannot be continued in an extended sales tax for transportation. He mentioned this lowers the revenue projection by \$7 million, to \$8.3 billion.

Mayor Scruggs asked if the 50/50 split was determined by the amount that Phoenix will need for the light rail project, or was it just a number? Mr. Smith stated that Phoenix was looking at their plan that had been approved by the voters regarding highway and transit needs. He noted that Phoenix used a \$10 billion revenue estimate.

Representative Cooley stated that prior to the return to sender, this Committee discussed lists from each agency that would be turned in and evaluated by performance based criteria. These projects from all areas would be a part of the plan that would go to the public. Representative Cooley stated that the idea is the same as return to sender, and he preferred this original proposal.

Mayor Drake stated that he was not in the region in 1985. He asked what was proposed to voters then? He stated that MAG was criticized for being parochial, so we brought in new members to the TPC to bring in other thought processes. Mayor Drake commented that these members have indicated that they do not agree with the return to sender concept. He stated that he thought this organization was about what is best for the entire community. Mayor Drake stated that as mayors, none have lost an election because they sit on the MAG board. He stated that the plan has to be broad based. As we carve up the revenue, we are being parochial. Mayor Drake stated that it was too early in the process to discuss return to sender. It is a shame that we are becoming parochial this early in the process.

Senator Jarrett stated that she would like to know if a 50/50 split would result in a shortage for regional projects. The frustration level would be high on the part of the voters if you take money from the freeway system, because many use the freeways. If the freeways are shortchanged, taxes may need to be raised down the road to pay for them.

Mr. Almanza stated his agreement with Senator Jarrett. He stated that we need to prioritize and gain an idea of key items that need to be taken care of.

Mr. Kane stated that he had not yet decided about return to sender. It is an extremely complicated issue. He added that the detail level of the plan also has not yet been decided. Mr. Kane stated that cities have projects that are not labeled local, but regional. He stated that the projects need to be packaged as a whole plan. We are getting away from that and we need to do a more detailed job of where the money would be going. Are we selling the plan or monetary action, and which will pass the vote? Mr. Kane commented that we have a tax and good things are accomplished with the money. It is premature to discuss the return to sender issue until the performance based element of the plan is discussed that could be sold to voters. He suggested putting off a decision on return to sender until the performance based assessments are decided.

Mr. Smith stated that staff struggled with return to sender also. The concept has merits. Mr. Smith stated that staff had developed a strawman list that includes projects totaling \$6.4 billion in freeway projects. Mr. Smith noted that even if the strawman list was funded, funding would be available for local projects, such as transit. Mr. Smith stated that it looked like you can get both regional freeway improvements and return to sender, but assumptions need to be made with revenue, such as planning for the ADOT discretionary and 15 percent funds. Put all the money on the table. Chairman Giuliano asked staff to flesh out this proposal for the January meeting.

Mayor Manross stated that she has not heard that anyone is wedded to the 50/50 split, so further discussion on this issue is needed. She commented that she could not support anything that was not upfront.

Representative Cooley stated that it is important that the TPC have a clear understanding of the congestion relief resulting gained from transit use. He added that a two percent ridership or a one car out of 100 reduction do not seem like there will be much impact on congestion. More facts and figures are needed on this.

Chairman Giuliano stated that the number of vehicles that need to be removed from the system in order to reduce congestion is at a much lower threshold than people would think.

Chairman Giuliano stated that the fourth policy question was the Amount of Tax. Would it be a half cent, or more? He stated that Mr. Shultz's comments indicated his support for a half cent.

Chairman Giuliano stated that the fifth policy question was Legislative Strategy. Should we try to get enabling legislation in general session, or wait until the Plan is farther along and go for it through a special session? When should the election be held? Rural supervisors are concerned that if the election was held during the regular election cycle in March, and they supported a sales tax ballot measure, it could impact their elections in November. Chairman Giuliano stated that he had not heard support for waiting for a Special Session.

Representative Pierce commented on setting the ground rules at the Legislature. Come up with a plan. If you don't have a good bill, the Governor could call a Special Session.

Senator Jarrett stated that the upcoming session will be long. She cautioned that a Special Session could cause a lot of resentment among Legislators, especially if they are out of Maricopa County and are

called in on a Maricopa County bill. During the regular session is the better option. Senator Jarrett stated that a bill folder could be opened for the legislation.

Mr. Smith commented that the Groundwater Act was developed by a commission through enabling legislation to create a plan to take to the Legislature. In that approach the Legislature does not modify the plan. If the Legislature does not like the plan, it is returned to the commission for additional deliberation.

Chairman Giuliano stated that work was needed on the scope of work for the plan. It does not align with the Legislative time frame. He added that it was acceptable to not have specificity on the plan. Chairman Giuliano stated that Mr. Shultz had indicated November 4, 2004 as the date for the election. He stated that his thought was that May 2004 would coincide with municipal elections. Representative Pierce asked for clarification if all municipalities had elections in May. Chairman Giuliano replied that not all have elections in May, Phoenix, for instance.

Representative Pierce stated that November 2004 was acceptable to him, although that could be impacted by how the process moves. Representative Pierce stated that a November election provides the maximum exposure.

Mr. Berry stated his agreement with Representative Pierce for a November 2004 election.

Representative Cooley stated that folks seem to vote more positively in a crisis situation, so an important element might be having the election occur closer to the end of the current funding.

Chairman Giuliano noted that it seemed there was a consensus to hold the election in November 2004.

Chairman Giuliano stated that the sixth policy question was ADOT Discretionary Funds. As part of the Plan presented to the voters, are we going to include ADOT Discretionary Funds?

Mr. Gant stated that there are other funding mechanisms that apply to projects. Where do you draw the line?

Supervisor Stapley commented that he had been told that Governance would be discussed in the policy discussion.

Mr. Smith stated that would be a decision that the TPC would need to make. He mentioned that in the polling results, respondents indicated satisfaction with the way things have been done. If that is members' choice, governance could be debated. Supervisor Stapley suggested that due to the lateness of the meeting, discussion should take place at a later meeting. Chairman Giuliano directed that Governance be added as policy issue seven.

7. Development of Key Messages for the Development of the Regional Transportation Plan

Theresa Gunn, of Gunn Communications, reported on the key messages that were developed to assist in getting the message out about the development of the RTP. Gunn Communications interviewed TPC members regarding their views on transportation messages. Ms. Gunn stated that one question was: "Why should voters support a tax extension?" Messages received included: 1) We have to prepare for the future now, and cannot wait for gridlock. 2) The tax is not a new tax. 3) The plan will improve

quality of life. 4) To prevent worsening of traffic congestion. 5) Oversight measures are in place to prevent cost overruns.

Ms. Gunn stated that TPC members were asked: “Why should Legislators support enabling legislation?” Messages received included: 1) We are not asking for a tax increase, but the right for the voters to decide. 2) If voters are not given a choice, Legislators will be held responsible for the consequences. 3) Needs cannot wait, investments are needed to keep up with growth. 4) The community supports the tax.

Ms. Gunn stated that members were asked a third question: “Why this plan?” Messages received included: 1) The plan was developed with broad-based input, both public and private. 2) The plan is a regionally balanced, multi-modal plan. 3) Local needs are included. 4) The plan will make the freeways quieter.

Ms. Gunn described the public involvement strategy, which will include the public input received on Valley transportation plans over the past two years. The TPC will continue to involve the public in developing a fair plan that addresses identified problems. Ms. Gunn stated that the strategy includes three phases. Phase I, in December 2002 to February 2003, is outreach to Legislators, media, business and the community. The focus will be on getting enabling legislation and early input. Phase II, in March to June 2003, is the drafting of alternatives for the Regional Transportation Plan, when the focus will be public outreach and stakeholder dialogue. Ms. Gunn stated that Phase III, beginning in October 2003, will be communicating the details and benefits of the adopted plan.

Mr. Almanza commented on the need to communicate effectively the messages to the business community so they fully understand and support the concepts.

Jyme Sue McLaren gave a presentation on the public involvement portion of the key messages. She reviewed the proposed key messages for the TPC to consider that were developed based on feedback from them and the surveys. 1) Voters should decide their future. 2) The TPC is the right group to develop the plan. 3) Growth is inevitable. 4) The ability to move people and goods is the backbone of Arizona’s economy. Ms. McLaren provided potential tag lines, which are one to three word phrases that identify the project. She stated that the tag lines must be easily understood, recognized, and remembered. Ms. McLaren said that the most preferred tag line of members of the public involvement team and intergovernmental representatives has been “Let’s keep moving,” because it encompasses the idea that we are building on our progress.

Mr. Smith stated that a coordination meeting with the Business Coalition is being scheduled to discuss how to work in partnership for the extension legislation.

Representative Cooley stated that there is merit in explaining to the public the cost benefit to voters—that they will be getting the most for their money.

Mayor Scruggs commented on softening key message three, “Growth is inevitable,” to be less confrontational.

8. Major Milestones and Explicit TPC Decision Points

Eric Anderson stated that work has been ongoing to develop a timeline of milestones and decision points. In January, it is anticipated that the goals and objectives will be discussed and modal and area studies results will be presented. Mr. Anderson stated that the performance evaluation and methodology will be presented in January or February. He added that the timeline will change over time. Chairman Giuliano asked if members had further suggestions for decision points.

Mayor Hawker mentioned the governance discussion that Supervisor Stapley requested. Mr. Smith stated that the strawman could be presented to demonstrate what it does to the revenue stream. Chairman Giuliano asked if the list was staff-generated, a continuation of current projects, or new projects? Mr. Anderson replied that the list included projects from many sources, such as Loop 303, HOV completion, and traffic interchange improvements. Chairman Giuliano commented on ensuring that all project submissions be considered. Mr. Anderson explained that the list was a result of a brainstorming session based on those submitted projects.

Mr. Gant expressed concern that the projects submitted not going through the process. Chairman Giuliano stated that he understood the concern, but how do we address this without coming forward with a list of projects as a starting point? Mr. Smith replied that the projects would not be built without asking if there is agreement on the projects on the list, and it is difficult to move forward without some sort of list. He added that there was nothing out of the ordinary on the list—HOV lanes, the South Mountain Freeway and Loop 303, which were also on the 1985 vote.

Mayor Hawker stated that he would like to see the list and the dollar amounts. He added that at some point, a cost evaluation and benefits received analysis are needed.

Mayor Manross stated her agreement with Mayor Hawker. As long as the list did not supersede consideration of other projects, she had no objection.

Chairman Giuliano requested that the list be clearly labeled “for explanation and example purposes only.”

9. Database Presentation

Mike Connors, HDR Engineering, reported on the project database. He stated that at the October 23, 2002 Transportation Policy Committee meeting, packets of the projects submitted by member agencies and TPC members were distributed. Mr. Connors stated that 23 project lists were received and a summary of the projects was included in the agenda packet. He stated that the summary was not intended to be all inclusive, but to serve as an example format for organizing project input. Mr. Connors added that the database is a work in progress. Chairman Giuliano thanked Mr. Connors for his report.

10. MAG Town Hall and Transportation Discussion

Chairman Giuliano recognized public comment from Mr. Crowley, who commented on the newspaper article written about the Phoenix land annexation project. Where will the freeway be built? What he sees is you are only taking care of transportation. Federal guidelines state that land use is a part of the transportation process. Mr. Crowley asked if people had read the Vision 21 Task Force report. He stated that he knew from Representative Cooley that we are far behind in maintenance on the street roadway system. When you are only asking for a little, but how is this taking care of air quality? He

commented that he did not see where maintenance is being taken care of. Mr. Crowley stated that he had the Phoenix Indian School and Government Mall plans. What is being done with the I-10 express terminal? Phoenix should abandon the terminal to the State. Federal guidelines say that you should respond. You say the reason for not doing this is due to different funding levels. Section 450-316 says to preserve existing transportation facilities. Finish the project and do it right. Mr. Crowley stated that more than a half cent tax should be requested. Chairman Giuliano thanked Mr. Crowley for his comments.

Tom Remes stated that the Regional Council approved holding an annual town hall to discuss major policy issues. For the town hall that will be held in 2003, it has been suggested that the topic of the town hall be transportation. The early input provided from the town hall will be used for the development of the Regional Transportation Plan and assist the TPC in their decision making process. Chairman Giuliano asked if there was discussion or comments. He noted that it appeared the Committee agreed that the focus of the first town hall be transportation.

Representative Cooley commented that the most serious issue was return to sender. That issue needs resolution. All need to get something. He added that this issue is confusing at the present time. Chairman Giuliano commented that this could be worked into the town hall discussion.

11. Review of Major MAG Modeling Assumptions

Mr. Anderson stated that staff would like to host a workshop on the major MAG modeling assumptions. Presentations and a question and answer session could be a part of the workshop for those wanting more information. Mr. Anderson indicated that because modeling can get very technical and detailed, more time may be required than a presentation at a meeting could provide. Chairman Giuliano requested that staff schedule the workshop. He added that one-on-ones would also be valuable.

There being no further business, the meeting adjourned at 8:07 p.m.

Chairman

Secretary